



LE \$9.00

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AFTER RECORDING RETURN TO:
Lewis County Public Works Dept.
350 N. Market Blvd.
Chehalis, WA. 98532

Tax Parcel Number: Portion 021650 002 001
Pt NW¼ SE¼ of Section 20, Township 14 North, Range 2 West, W.M.,

LEASE

THIS LEASE, made and entered into this 31ST day of OCTOBER, 2006 by and between DIAMOND TC HOLDINGS, LLC, a Washington Limited Liability Company, whose address is 417 Isaac Pincus Street, Steilacoom, WA 98388, hereinafter referred to as "Landlord" and LEWIS COUNTY, a political subdivision of the State of Washington, 350 N. Market Blvd., Chehalis, WA 98532-2626, hereinafter referred to as "Tenant".

WITNESSETH:

WHEREAS, Tenant desires to occupy the real property and premises noted herein for the purpose of office space; and

WHEREAS, each individual executing this lease as Tenant will be bound and obligated to pay the rental herein and perform the other obligations contained herein, regardless of whether or not they occupy some, all or none of the real property; now therefore,

In consideration of the covenants and agreements herein contained and the monies to be paid as hereinafter set forth, the Landlord agrees to lease, demise and let unto the Tenant, and the Tenant agrees to lease through the term specified herein, the premises



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consisting of a 2,608-square-foot portion on the south side of a building commonly referred to as 2015 NE Kresky Avenue, Chehalis, Washington, 98532 shown hachured on attached "Exhibit A", and the associated 8 parking spaces, which real property is sometimes hereinbefore and hereinafter referred to as "the demised premises" or the real property and legally described as follows:

A portion of a tract of land situated in the northwest quarter of the southeast quarter (NW¼ SE¼) of Section 20, Township 14 North, Range 2 West, W.M., Lewis County, Washington, as described as follows:

Beginning at the southeast corner of said subdivision; thence north 87°21'20" west 388.7 feet to the easterly boundary of the Kresky Road and the true point of beginning; thence south 87°21'20" east 232.1 feet; thence north 2°03'40" east 180.0 feet; thence north 87°21'20" west 91.85 feet to the easterly line of the Kresky Road; thence southwesterly along said easterly line 277.0 feet, more or less, to the point of beginning.

1. Term. The term of this lease shall commence on the 1st day of November, 2006, and end on the 31st day of October, 2011, or earlier termination as hereinafter provided.

2. Rental. The Tenant shall pay Landlord Three Thousand Fifty Two Dollars (\$3,052.00) on or before the 30th day of each and every calendar month thereafter, as monthly rental, to be paid in advance through the term of this lease. In the event the Tenant fails to pay the monthly rent, in advance, on or before the 10th day of the month, a penalty of ten (10%) of the monthly rental shall be assessed and immediately due in addition to the monthly rent.

3. Use. Tenant shall have the right to use the demised premises and improvements thereon for office space and not otherwise. Tenant shall not use or permit the demised premises to be used for any other purpose or purposes without the prior written consent of the Landlord. Tenant agrees that during the term of this lease, the demised



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premises shall be kept in a clean and orderly condition, free of refuse, and that Tenant will comply with all local, state and federal regulation, including police, health and fire regulations, and will comply with all other applicable statutes, ordinances and regulations. Failure to comply will constitute a breach and default of this lease.

Should any alteration of the demised premises be required by a governmental agency or regulation during the term of this lease, except as provided for under Section 10, herein, Tenant shall bear the cost of any such alteration without contribution or reimbursement from Landlord. Upon expiration or sooner termination of this lease, those alterations shall become the property of Landlord.

4. Alterations and Improvements. The Tenant shall not make any changes in, alterations or additions to, the demised premises without the prior written consent of the Landlord—which consent shall not be unreasonably withheld. Any alteration, addition or improvement made by the Tenant after such consent, shall be done at the Tenant's expense and any fixture installed as a part thereof shall become the property of the Landlord upon expiration or sooner termination of this lease; provided, however, Landlord may require Tenant to remove any unauthorized alteration, addition or improvement and fixture installed as a part thereof, and restore the portion of the premises on which they were placed in the same condition they were in prior to such alteration, addition or improvement. Nothing herein shall prohibit Landlord from conditionally approving any alteration, addition or improvement, such condition being that the premises must be restored at the end of the lease term, or sooner termination of the lease, in its prealtered or improvement condition—reasonable wear and tear excepted.

5. Repairs. Tenant shall, at its own expense, keep the demised premises, including improvements thereon, as herein discussed under "Maintenance", in good repair and shall



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make all repairs as shall be reasonably necessary to keep the leased property and improvements thereon in good condition and repair—reasonable wear and tear excepted. Tenant further agrees that all damage or injury to said property by Tenant, or any person who may legally be upon the demised premises, shall be repaired by Tenant at their expense; provided, however, this shall not be construed to limit recovery by Tenant for damage caused by third party liability. Tenant agrees at the expiration of this lease, or sooner termination thereof, to quit and surrender said real property and improvements thereon, in as good a condition and repair as the same now are, reasonable wear and tear from ordinary use excepted.

6. Maintenance. Tenant shall be responsible for maintenance on the demised premises, including improvements thereon. Tenant's duty to maintain shall be all inclusive except for roof, foundation, walls and structure, and all such electrical, plumbing and other such improvements contained within the interior walls, ceiling and flooring; excepting, Tenant shall be responsible for interior and exterior glass, and exterior lighting and fencing. Maintenance of landscaping improvements, including but not limited to, all flowers, shrubs, grass and the like shall be the responsibility of the Tenant. Landlord shall be responsible for maintaining parking lot.

7. Entry and Inspection of the Premises. The Landlord, their agents and representatives, shall have the right to enter onto or upon the demised premises, or any part thereof for the purpose of examining the conditions thereof and showing to prospective purchasers, upon twenty-four (24) hours prior notice to Tenant. The Landlord's entry onto the demised premises will not unreasonably interfere with the Tenant's use of said property. Landlord shall have the right of entry and the right to fulfill the Landlord's purpose for entry without any abatement of rent to Tenant for any loss of occupancy or quiet enjoyment of the



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demised premises occasioned thereby. The Landlord shall have the right to place an appropriate "for rent" sign upon the demised premises during the last ninety (90) days which shall immediately precede the termination of this lease. In addition, the Landlord, or their agents and representatives, shall have the right to enter into or upon said demised premises for the purposes of making repairs or improvements that Landlord may, at their election, make.

Tenant agrees to accept the demised premises in the present condition and state of repair.

8. Real Estate Taxes. Tenant shall reimburse Landlord its pro rata share (40%) of real property taxes attributed to the real property. $1/12^{\text{th}}$ of the Tenant's annual tax amount will be added to each months rent, to be reconciled to the actual amount at the end of the year term.

PROVIDED, HOWEVER, the current portion of any hereafter arising local improvement district assessments shall be the obligation of Tenant. The current portion of the local improvement district assessment shall be the amount due in each calendar year, or pro rated portion thereof, during the lease term based upon the average payment period for the local improvement district assessment.

9. Insurance and Personal Property Taxes. Tenant shall reimburse Landlord its pro rata share (40%) of fire insurance attributed to the real property. $1/12^{\text{th}}$ of the Tenants annual fire insurance premium will be added to each months rent, to be reconciled to the actual amount at the end of the year term. Tenant shall be responsible for fire and other insurance on the contents.



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Any and all personal property taxes assessed against personal property located on the demised premises shall be timely paid before delinquent, and the sole responsibility of Tenant.

Tenant, at their sole expense, shall procure and maintain in full force and effect public liability insurance with limits of not less than one million dollars, insuring any and all applicable liability with respect to the demised premises, right of occupancy or use thereof, or the conduct of any business therefrom, which coverage shall specifically include indemnification against accidents and the like arising from the use by Tenant of any of the real property, improvement and fixtures thereon, and subject of this lease. Tenant is a self-insured, municipal corporation of the State of Washington.

10. Damage or Destruction. In the event the demised premises are destroyed or damaged by fire, earthquake or other casualty to such an extent as to render the same untenable in whole or in substantial part thereof, it shall be optional with Landlord to rebuild or repair the same; and after the happening of any such contingency, Tenant shall give the Landlord immediate notice thereof. In such event of such contingency, Landlord may elect to terminate this lease and shall do so by notifying Tenant within thirty (30) days of the occurrence of the loss. Landlord may similarly elect to effect reconstruction and continue this lease in full force and effect. If Landlord does repair, restore and/or reconstruct, Landlord shall proceed without unnecessary delay. The rent and other such assessments payable by Tenant shall be abated during the period of such repair and reconstruction, in the same ratio that portion of the demised premises rendered unfit for intended lease purposes shall bear to the whole of the leased premises. If Landlord shall fail to give notice of Landlord's election aforesaid, Tenant shall have the right to declare this lease terminated by notifying Landlord. Tenant shall not be entitled to any compensation or damages from



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Landlord for loss of use of the whole or any part of the demised premises, improvements or fixtures thereon, damage or destruction to Tenant's personal property thereon, or inconvenience or other annoyance or loss suffered by Tenant as a result of any such damage, destruction, reconstruction or restoration of the improvements and fixtures located on the demised premises.

Tenant agrees that Landlord, if they so elect, may enter the demised premises to make any and all repairs, reconstruction or restoration.

11. Condemnation. If any part of the demised premises shall be taken by condemnation or under threat of condemnation, and the part remaining is such that Tenant may continue its business operation thereon, then this lease shall continue and the rent payable by Tenant shall be subject to such adjustment as may be appropriate considering the interference to the Tenant's business operations occasioned by said partial taking. In the event that the demised premises shall be condemned to an extent making it impossible or impracticable for the Tenant to continue its business operations thereof, then this lease shall terminate as of the date of said taking, and the Landlord and Tenant shall be relieved of further liability hereunder.

12. Indemnification. Tenant hereby agrees to indemnify Landlord, their agents, servants and employees, against, and to save and hold Landlord, their agents, servants and employees harmless from any and all claims or demands for loss of or damage to property, or for injury or death to any person from any cause whatsoever, including employees, workmen, invitees, and guests, while in, upon, or about said demised premises, or improvements located thereon, or arising from any act or omission of Tenant, their guests, contractors, servants, employees, invitees, or licensees.



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13. Waiver of Subrogation. Landlord and Tenant, on behalf of themselves, their successors and assigns, if any, each hereby waive all right to subrogation that either may have, may or might have against the other, for any losses occurring during the period that this lease is in full force and effect on said demised premises or the improvements located thereon and telephone system therein, or to personal property therein belonging to either party where the loss is proximately caused by fire, lightning or any cause included in or covered by the standard fire insurance policy, or other casualty policy used for insuring said property, including perils insured in and covered by the extended coverage endorsements constituting a part of the standard fire insurance policy and/or all risk insurance policy.

14. Utilities. Tenant agrees to pay its pro rata share of all utilities. Gas, electricity, and water are on common meters with the other building tenant and County agrees to pay its pro rata share (40%) of said utilities, also including sewer charges. For the first year of the lease, Landlord will bill Tenant quarterly for 40% of the actual cost of these utilities. Thereafter, an average monthly utility cost will be calculated from the pro rata share (40%) of the previous year utility costs, and this average monthly amount will be added to each months rent, to be reconciled to the actual amount at the end of the year term.

15. Ice, Snow and Debris. Tenant shall at all times keep the sidewalks and parking areas on the demised premises free and clear of ice, snow, debris, rubbish and any and all similar obstructions. At the conclusion of the term of this lease, or upon any sooner lawful termination thereof, Tenant shall quit and deliver up the premises to the Landlord peacefully and quietly and broom clean.

16. Liens. Tenant agrees to pay, or cause to be paid, all costs for work done, or caused to be done, by Tenant for services provided to Tenant, on the demised premises or improvements thereon, and Tenant will keep said demised premises and improvements



thereon clear of all liens on account of work done for Tenant, caused to be done for Tenant, or other services provided for Tenant; except for such liens created or caused to be created by Landlord. Tenant agrees to pay and shall indemnify and save Landlord free and harmless against all liability, loss, damage, cost, attorney's fees and other expenses on account of such Tenant claims for laborers or materialmen, or others, for such work performed or services provided, or materials or supplies furnished to or on account of the demised premises or improvements thereon.

17. Additional Covenants. Tenant covenants as follows:

(a) To pay the rentals herein stated and additions thereto, at the time or times herein provided, in lawful money of the United States.

(b) Not to assign or otherwise transfer this lease without the prior written consent of Landlord.

(c) Not to sublease or sublet the demised premises or improvements thereon, or any portion thereof, or allow anyone to occupy the same, or portion thereof, without the prior written consent of Landlord.

(d) Not to commit or suffer any waste of or about the demised premises or improvements thereon.

(e) Not to install any power machinery on the demised premises or improvements thereon, without the prior written consent of Landlord.

(f) Not to use said demised premises or improvements thereon in any way, for any purpose, or keep or maintain anything thereon which will void any fire insurance policy applicable to the demised premises and improvements thereon, or which would in any way increase any premium to be paid on any existing fire insurance policy applicable thereto.

(g) Not to allow the demised premises or improvements thereon to fall into such a state of disrepair and to the extent Tenant is responsible for such repair, as to increase the fire insurance hazard thereon.

(h) To comply at Tenant's own expense, with all orders, notices, regulations and requirements of any public authority having jurisdiction respecting the demised premises or improvements thereon, to the extent of Tenant's obligations under this lease.

(i) To keep the demised premises and improvement thereon in a neat, clean condition.



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(j) Pay all payroll expenses, supplier bills, taxes and other expenses incurred in the operation of Tenant's business.

(k) Not to use or permit the use of the demised premises or improvements thereon for any illegal purpose.

18. Attorneys' Fees. In the event of any litigation between the parties hereto arising out of the construction or enforcement of this lease, the demised premises, or improvements thereon, the prevailing party shall be allowed all reasonable attorneys' fees expended or incurred in such litigation to be recovered as part of the costs therein.

19. Default. This lease is made upon the express condition that if Tenant fails to pay the rent herein, or any part thereof or any penalty related thereto after the same shall be due, or if Tenant fails or neglects to perform, meet or observe any of the Tenant's other obligations herein, then Landlord, after ten (10) days written notice, may lawfully declare the termination of this lease, may re-enter said demised premises and the improvements thereon, or any part thereof, and by due process of law remove and put Tenant out, or any other person or persons occupying said demised premises or improvements thereon, and may remove all personal property therefrom without prejudice to any remedies which might or may otherwise be used for the collection of arrearages of rent, or the breach of any other covenants or conditions.

Tenant agrees to pay Landlord any deficiency arising from subsequent reletting at a lesser rental than herein provided, and Tenant shall pay such deficiency each month as the amount thereof is ascertained by Landlord. In the case of such re-entry by Landlord, Landlord shall use their best efforts to mitigate their damages and relet the demised premises as promptly as possible, for a term and at a rental at least as great as the balance of the term hereof, and the rental provided for herein. If such reletting is not reasonably practical for such term, and upon such rental, Landlord may relet the premises upon such



terms as are reasonable, and for a period of time which may expire either before or after the expiration of this lease.

If Tenant fails to perform any non-monetary duty, obligation or covenant, Landlord may, at their election, perform the duty or obligation, in event Tenant shall, upon demand, pay to the Landlord, Landlord's actual cost incurred in performing said duty or obligation, together with interest at twelve percent (12%) per annum until paid.

20. Nonwaiver of Default. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach of any obligation hereunder by Tenant, other than the failure to pay the particular rent so accepted, and the waiver of any breach of any term, covenant or condition by Landlord shall not constitute a waiver of any other breach regardless of knowledge thereof, or a waiver of the breach, term or covenant itself.

21. Abandonment. Tenant agrees not to vacate or abandon the demised premises or improvements thereon at any time during the term of this lease. Should Tenant vacate or abandon said demised premises or improvements thereon, or be disposed by process of law or otherwise, such abandonment, vacation or disposition shall be a breach of this lease and, in addition to other rights which Landlord may have, Landlord may remove any personal property belonging to Tenant which remains on the demised premises or improvements thereon, and such removal and storage shall be for the account of Tenant.

22. Holding Over. In the event the Tenant for any reason should hold over in possession the demised premises and improvements thereon following the expiration of this lease, such holding over shall not be deemed to operate as a renewal or extension of this lease, but shall only create a tenancy from month-to-month which may be terminated at will at any time by the Landlord.



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23. Notice and Payment. Demands, notices and other papers by one party to the other shall be in writing and delivered to the other party or mailed by first class United States mail, postage prepaid, by certified mail with return receipt, to the party's address as contained in the preamble hereto, or such other single address as may be given from time to time by one party to the other. For purposes of notice by Landlord to Tenant, at the inception of this lease, Landlord shall provide notice to Tenant at 350 N. Market Blvd., Chehalis, WA 98532.

If demands, notices or other papers are sent by United States mail, they shall be deemed given three (s) days after being placed in the mail, holidays excluded.

24. Time. Time is of the essence of this lease and all provisions thereof.

25. Captions and Headings. Captions and paragraph headings in this lease are inserted for reference only and are not a part of this lease and do not in any way define, limit or describe the scope or intent of this lease, nor its terms and/or provisions.

26. Entirety. This lease constitutes the entire agreement and understanding between the Landlord and Tenant. There are no other agreements or representations either oral or written, which modify or have an effect upon this lease. The parties are not relying on any representations or promises, other than those specifically set forth herein. No modification of this lease shall be binding upon either party unless reduced to writing and signed by both parties.

IN WITNESS WHEREOF, this lease has been duly executed by the parties hereto the day and year previously written.

Diamond TC Holdings, LLC

By: Dana Durant, Manager/Member

Title: Manager/Member



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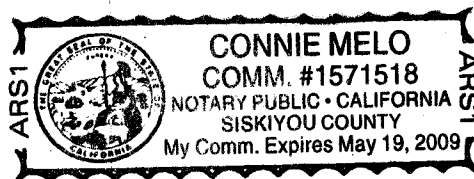
STATE OF CALIFORNIA } ss.
 COUNTY OF SISKIYOU

On 10/31/06, before me, CONNIE MELO, NOTARY PUBLIC
 personally appeared DANA DURANT

_____, personally known to me
 (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are
 subscribed to the within instrument and acknowledged to me that he/she/they executed the same
 in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
 person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Connie Melo



(This area for official notarial seal)

Title of Document _____
 Date of Document _____ No. of Pages _____
 Other signatures not acknowledged _____



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By: [Signature]
Title: MANAGER / OWNER

ATTEST:

Karri Muir
Karri Muir, Clerk of the
Board of County Commissioners

APPROVED AS TO FORM:
JEREMY RANDOLPH,
Prosecuting Attorney

By: [Signature] DOUGLAS P. LUTZ
Civil Deputy

BOARD OF COUNTY COMMISSIONERS
LEWIS COUNTY, WASHINGTON

[Signature]
Chairman
[Signature]
Member
[Signature]
Member



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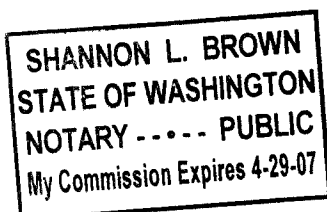
STATE OF WASHINGTON }

County of Pierce }

} ss.

On this 3rd day of NOVEMBER, 2006, before me personally appeared JOSEPH DURANT, to me known to be the MANAGER/OWNER of Diamond TC Holdings, LLC, a Washington Limited Liability Company, who executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said Company for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument on behalf of the Company and that the seal affixed is the seal of said Company.

In Witness Whereof, I have hereunto set my hand and affixed my official seal in the day and year last above written.



[Signature]
Notary Public, in and for the
State of Washington, Residing at
Pierce County
My Commission expires: 4-29-07

STATE OF WASHINGTON }

County of _____ }

} ss.

On this _____ day of _____, 2006, before me personally appeared _____, to me known to be the _____ of Diamond TC Holdings, LLC, a Washington Limited Liability Company, who executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said Company for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument on behalf of the Company and that the seal affixed is the seal of said Company.

In Witness Whereof, I have hereunto set my hand and affixed my official seal in the day and year last above written.

Notary Public, in and for the
State of Washington, Residing at

My Commission expires: _____



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